

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

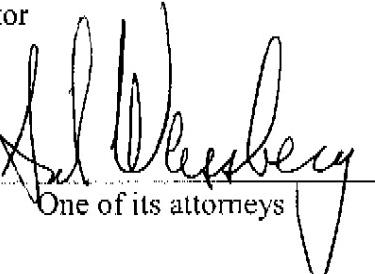
US HOTEL CORPORATION)
Debtor.) Case No. 05-B-04783
) Honorable Judge Carol Doyle
) Hearing Date: February 23, 2005
) Hearing Time: 10:30 a.m.

NOTICE OF MOTION

TO: SEE ATTACHED SERVICE LIST

On February 23, 2005, at 10:30 a.m., or as soon thereafter as counsel may be heard, we shall appear before the Honorable Judge Carol Doyle in Courtroom 742, S. Dearborn Street, Chicago, Illinois and then and there present the enclosed **EMERGENCY MOTION OF INTERIM AND FINAL USE OF CASH COLLATERAL** a copy of which is served on you.

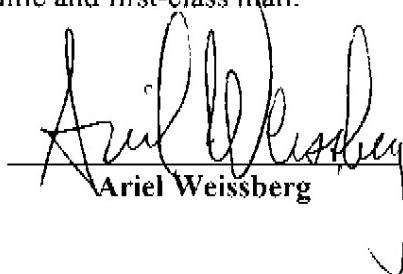
US HOTEL CORPORATION,
Debtor

By: 
One of its attorneys

Ariel Weissberg, Esq.
Weissberg and Associates, Ltd.
401 S. LaSalle St., Suite 403
Chicago, IL 60605
(312)663-0004
Fed. Court No. 03125591

CERTIFICATE OF SERVICE

I, Ariel Weissberg, certify that on February 18, 2005, we served **EMERGENCY MOTION OF INTERIM AND FINAL USE OF CASH COLLATERAL**, to the parties on the attached service list by facsimile and first-class mail.



Ariel Weissberg

SERVICE LIST

James D. Newbold, Esq.
Illinois Attorney General
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Floor
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Suite 2600
Chicago, IL 60606-7413
FAX: 312-441-9027

Mr. Muhammed N. Sindhu
1803 Continental Avenue
Suite 307
Naperville, IL 60563
VIA REGULAR MAIL.

Illinois Department of Revenue
P.O. Box 19447
Springfield, IL 62794-9447
FAX: 312-814-3055

D. Patrick Mullarkey, Esq.
Tax Division (DOJ)
P.O. Box 55
Ben Franklin Station
Washington, DC 20044
VIA NEXT DAY MAIL.

Adam S. Fayne, Esq.
Attorney and Special Assistant
U.S. Attorney
Office of Chief Counsel
Internal Revenue Services
200 W. Adams, Suite 2300
Chicago, IL 60606
FAX: 312-886-9244

A. Barr Sales, Inc.
8130 W. 47th Street
Lyons, IL 60534
FAX: 708-447-9353

A.S. Hospitality
P.O. Box 240488
Memphis, TN 38124-0488
FAX: 901-367-4412

Alesco
2641 S. Leavitt
Chicago, IL 60608
FAX: 773-579-1325

Clear Channel Airports
710 North Dearborn Street
Chicago, IL 60610
FAX: 312-642-7378

ComEd
Bill Payment Center
P.O. Box 805376
Chicago, IL 60680-5376
FAX: 630-684-2710

Darling International, Inc.
3000 W. Wireton Road
Blue Island, IL 60406
FAX: 708-388-4259

Dependable Fire Equipment,
Inc.
60 LaBaron Street
Waukegan, IL 60085-3025
FAX: 847-662-8420

Ecolab
P.O. Box 70343
Chicago, IL 60673-0343
FAX: 847-350-2657

Farmer Brothers Co.
31 W. 280 Diehl Road
Unit 103
Naperville, IL 60563
FAX: 630-305-3112

Groot Recycling & Waste
Services, Inc.
2500 Landmcier Road
Elk Grove Village, IL 60007
FAX: 847-734-6389

I.D.E.S.
Chicago Region - Revenue
527 S. Wells
Chicago, IL 60607-3922
VIA HAND DELIVERY

Internal Revenue Service
Odgen, UT 84201
ATTN: Collection Dept.
VIA CERTIFIED MAIL.

Lato Supply Corporation
P.O. Box 14830
Phoenix, AZ 85063
FAX: 602-269-5892

MPower Communications
P.O. Box 36430
Las Vegas, NV 89133-6430
ATTN: Legal Dept.
FAX: 702-310-7720

Nxtel Communications
P.O. Box 4181
Carol Stream, IL 60197-4181
FAX: 254-295-8996

Nicor Gas
1844 Ferry Road
Naperville, IL 60563
FAX: 630-983-8174

NSI Signs, Inc.
960 Sivert Drive
Unit F
Wood Dale, IL 60191
FAX: 630-350-2233

Ramada Franchise Systems,
Inc.
P.O. Box 360113
Pittsburg, PA 15251-6113
FAX: 973-496-3745

RGI Publications, Inc.
P.O. Box 338
Olathe, KS 66051-0338
FAX: 913-829-7577

Saflok
1950 Austin Drive
Troy, MI 48083
FAX: 248-680-8468

Sara Lee Coffee & Tea
P.O. Box 93354
Chicago, IL 60673-3354
FAX: 914-670-3504

SBC Ameritech
P.O. Box 5072
Saginaw, MI 48663-0003
FAX: 866-826-0132

State Chemical Manufacturing
Co.
3100 Hamilton Avenue
Cleveland, OH 44114
FAX: 888-771-9670

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TRANSCAST REPORT

100% TRANSMISSION RATE

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12

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100% TRANSMISSION RATE
NO FADING CONDITION
NO JITTER

BROADCAST FAX

2005-02-22 12:23:38

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

US HOTEL CORPORATION

Debtor.

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Case No. 05-B-04783

KENNETH S. CARDINAL CLERK
PS REP. - PR

FEB 22 2005

Honorable Judge Carol Doyle

Hearing Date: February 23, 2005

Hearing Time: 10:30 a.m.

EMERGENCY MOTION FOR INTERIM AND
FINAL USE OF CASH COLLATERAL

NOW COMES US Hotel Corporation ("USHC"), the debtor, and for its Emergency Motion for Interim and Final Use of Cash Collateral, states as follows:

1. On February 14, 2005, USHC filed a voluntary petition in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, seeking to reorganize under Chapter 11 of the Bankruptcy Code ("Code"). Since that date, USHC has remained in possession of its assets and is operating its business as a debtor-in-possession.

2. (a) USHC was incorporated in the State of Illinois on June 12, 2002. USHC operates a 150-room, newly-renovated hotel known as Ramada Hotel (the "Hotel"), 200 E. Rand Road, Mount Prospect, Illinois 60056 (the "Real Property").

(b) The franchisor of the Hotel is Ramada Franchise Systems, Inc.

(c) USHC has approximately 35 employees.

(d) The owner of the Real Property is Republic Bank of Chicago, as Trustee under Trust Agreement date December 20, 1991 and known as Trust No. 1269. The owner of

the beneficial interest in this land trust is Chaudhry Ashiq Ali Sindhu.

(c) USHC is the lessee of the Real Property and the operator of the Hotel. USHC's assets consist of this lease, USHC's cash and office equipment. USHC is principally a cash business.

(f) Appended hereto as Exhibit "A" is the U.S. Hotel Corp Mal Ramada Mt. Prospect Pro-Forma setting forth the revenues and expenses for February, 2005 and the projected revenue and expenses for the Hotel for the months of March, April and May, 2005. It reflects, among other things, the revenue, average daily room rate and sums paid for certain expenses.

3. Banco Popular North America ("Banco") is asserting a valid, perfected, senior mortgage in the Property and an Assignment of Rents pursuant to the terms of certain loan agreements, including a Secured Promissory Note in favor of Banco in the principal amount of \$7,000,000.00, and a Mortgage and an Assignment of Lease and Rents recorded with the Cook County Recorder of Deeds.

4. As of the filing of the petition, USHC owed Banco approximately \$7,000,000.00.

5. USHC requires the use of its cash and proceeds of its accounts receivable to operate and to pay its ordinary and necessary expenses, including but not limited to payroll, the purchase of food and beverage inventory and utility costs. USHC stipulates that Banco is entitled to certain protections for the use of this cash collateral, including but not limited to the following:

- A. Monthly adequate protection payments in the amount of \$20,000.00 which shall be applied to the outstanding interest, principal and expenses due to Banco;
- B. A replacement lien in all of the personal property of USHC;
- C. The right to inspect the Hotel, the Real Property and the tangible personal property of USHC upon 24 hours prior oral notice; and
- D. An administrative priority claim in accordance with Section 507(b) of the Bankruptcy Code to the extent that "adequate protection" provided to Banco pursuant to this Motion proves inadequate to protect Banco's interest in the cash collateral.

6. The foregoing adequate protection is sufficient to protect the interests of Banco and satisfies the requirements of Sections 361 and 363 of the Bankruptcy Code, among other reasons, as follows:

- A. The Hotel has a value of \$12,000,000.00. In addition to Banco's \$7,000,000.00 first mortgage indebtedness, there is a second mortgage indebtedness in the amount of approximately \$2,000,000.00 due to Muhammed N. Sindhu. As such, there is a substantial "equity cushion" available to the Banco. The value of the Hotel and the Real Property is

not decreasing. Rather, the value of the Real Property and the Hotel will increase as the revenues of the Hotel increase, which is presently the case.

B. As of February 2005, USHC is operating profitably. USHC projects that its expenses will not increase. In fact, USHC is working to further reduce its expenses.

C. The expenses of USHC for which it is seeking the use of cash collateral are reasonable and necessary. These monthly expenses equal \$104,323.75 and are as set forth in Exhibit "B," attached hereto and made a part hereof.

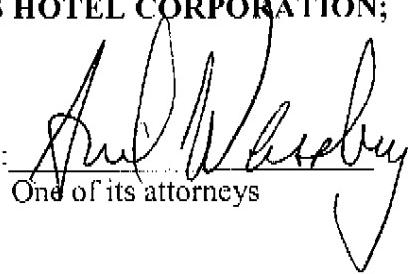
7. Presently, USHC has no other source of funds to pay its operating expenses. USHC would be severely prejudiced if it could not use its cash collateral. In light of the foregoing, this court should grant USHC the interim and final use of its cash collateral.

8. This court has jurisdiction over this case pursuant to 28 U.S.C. Section 1334(a) and this is a "core matter" pursuant to 28 U.S.C. Section 157(b)(2)(M).

9. USHC provided notice of this Emergency Motion to its twenty largest unsecured creditors, pursuant to FRBP 4001(b)(1).

WHEREFORE, US Hotel Corporation, debtor, prays that this court enter an order allowing US Hotel Corporation the interim use of its cash collateral subject to a final hearing; that this court allow US Hotel Corporation to provide Banco the "adequate protection" provided in paragraph 5 above; that this court set a final hearing for US Hotel Corporation's use of cash collateral; and for such other and further relief as is just and proper.

US HOTEL CORPORATION;

By: 
One of its attorneys

Aricl Weissberg, Esq.
Weissberg and Associates, Ltd.
401 S. LaSalle St., Suite 403
Chicago, IL 60605 (312)663-0004
Fed. Court No. 03125591

BUDGET FOR FEBRUARY 2005

Feb-05

# ROOMS	150
OCC%	39%
AVG RATE	\$49.75

\$

REVENUES

ROOMS	\$ 81,490.50
FOOD	\$ 20,372.63
TELEPHONE	\$ 2,444.72
OTHER INC	\$ 814.91
TOTAL REVENUE	\$ 105,122.75

DEPARTMENT EXPENSES

PAYROLL FRONT DESK	\$ 9,371.41
PAYROLL DRIVERS	\$ 6,682.22
PAYROLL HOUSEKEEPING	\$ 7,334.15
PAYROLL FOOD & BEVERAGE	\$ 7,130.42
PAYROLL SUPERVISORS	\$ 6,307.36
CLEANING SUPPLIES	\$ 1,944.77
GUEST SUPPLIES	\$ 2,037.26
FOOD COST	\$ 8,556.50
LINEN COST	\$ 511.35
AIRPORT COMMISSIONS	\$ 1,629.81
CHINA, GLASS, SILVER	\$ 1,314.03
POSTAGE & DELIVERY	\$ 300.00
BANK CHARGES	\$ 150.00
LEGAL FEES	\$ 3,000.00
LICENCES & PERMITS	\$ 250.00
AUTO REPAIRS	\$ 1,250.00
SMALL TOOLS & EQUIPMENT	\$ 150.00
ELEVATOR MAINTENANCE	\$ 250.00
MAINTENANCE SUPPLIES	\$ 1,250.00
WASTE REMOVAL	\$ 300.00
ACCOUNTING FEES	\$ 500.00
CREDIT CARD FEES	\$ 1,314.03
MILEAGE TRAVEL	\$ 800.00
CABLE COST	\$ 400.00
SALES & MARKETING PAYROLL	\$ 3,500.00
FRANCHISE FEE	\$ 6,111.79
ADMINISTRATIVE & GENERAL	\$ 2,628.07
PUBLIC RELATIONS	\$ 1,200.00
UTILITIES	\$ 7,358.59
VAN LEASE + GAS/OIL	\$ 6,250.00
MISC. ROOMS AND COST	\$ 2,444.72
MISC. FOOD COST	\$ 1,018.63
MISC. REPAIRS	\$ 1,282.50
TELEPHONE COST	\$ 1,466.83
INSURANCE	\$ 4,540.00
AIRPORT BOARD	\$ 1,629.81
FOOD & BEVERAGE	\$ 1,059.38
TELEPHONE	\$ 1,100.12
DEPARTMENT EXPENSES	\$ 104,323.75
NET INCOME B-4 DEBT	\$ 798.99

EXHIBIT

A

U.S. Hotel Corp dba/ RAMADA MT. PROSPECT PRO-FORMA

	Feb-05	Mar-05	Apr-05	May-05
# ROOMS	150	150	150	150
OCC%	39%	46%	58%	62%
AVG RATE	\$49.75	\$54.38	\$58.70	\$61.80
REVENUES				
ROOMS	\$ 81,490.50	\$ 116,318.82	\$ 153,207.00	\$ 172,422.00
FOOD	\$ 20,372.63	\$ 17,447.82	\$ 22,981.05	\$ 25,863.30
TELEPHONE	\$ 2,444.72	\$ 3,489.56	\$ 4,596.21	\$ 5,172.66
OTHER INC	\$ 814.91	\$ 1,163.19	\$ 1,532.07	\$ 1,724.22
TOTAL REVENUE	\$ 105,122.75	\$ 138,419.40	\$ 182,316.33	\$ 205,182.18
DEPARTMENT EXPENSES				
PAYROLL FRONT DESK	\$ 9,371.41	\$ 12,213.48	\$ 12,256.56	\$ 12,931.65
PAYROLL DRIVERS	\$ 6,682.22	\$ 8,374.96	\$ 9,192.42	\$ 9,483.21
PAYROLL HOUSEKEEPING	\$ 7,334.15	\$ 8,142.32	\$ 9,805.25	\$ 10,345.32
PAYROLL FOOD & BEVERAGE	\$ 7,130.42	\$ 6,106.74	\$ 7,353.94	\$ 7,758.99
PAYROLL SUPERVISORS	\$ 6,307.36	\$ 8,305.16	\$ 10,938.98	\$ 12,310.93
CLEANING SUPPLIES	\$ 1,944.77	\$ 2,560.76	\$ 3,372.85	\$ 3,795.87
GUEST SUPPLIES	\$ 2,037.26	\$ 2,907.97	\$ 3,830.18	\$ 4,310.55
FOOD COST	\$ 8,556.50	\$ 7,328.09	\$ 9,652.04	\$ 10,862.59
LINEN COST	\$ 511.35	\$ 437.94	\$ 576.82	\$ 649.17
AIRPORT COMMISSIONS	\$ 1,629.81	\$ 2,326.38	\$ 3,064.14	\$ 3,448.44
CHINA, GLASS, SILVER	\$ 1,314.03	\$ 1,730.24	\$ 2,278.95	\$ 2,564.78
POSTAGE & DELIVERY	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
BANK CHARGES	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
LEGAL FEES	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
LICENCES & PERMITS	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
AUTO REPAIRS	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00
SMALL TOOLS & EQUIPMENT	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
ELIVATOR MAIANENANCE	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
MAINTENANCE SUPPLIES	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00
WASTE REMOVAL	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
ACCOUNTING FEES	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
CREDIT CARD FEES	\$ 1,314.03	\$ 1,730.24	\$ 2,278.95	\$ 2,564.78
MILAGE TRAVEL	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
CABLE COST	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
SALES & MARKETING PAYROLL	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00

EXHIBIT

R

FRANCHISE FEE	\$	6,111.79	\$	8,723.91	\$	11,490.53	\$	12,931.65
ADMINISTRATIVE & GENERAL	\$	2,628.07	\$	3,460.48	\$	4,557.91	\$	5,129.55
PUBLIC RELATIONS	\$	1,200.00	\$	1,201.00	\$	1,202.00	\$	1,203.00
UTILITIES	\$	7,358.59	\$	9,689.36	\$	10,938.98	\$	11,285.02
VAN LEASE + GAS/OIL	\$	6,250.00	\$	6,850.00	\$	6,920.00	\$	7,250.00
MISLENIOS ROOMS COST	\$	2,444.72	\$	3,489.56	\$	4,696.21	\$	5,172.66
MISSLENIOS FOOD COST	\$	1,018.63	\$	872.39	\$	1,149.05	\$	1,293.17
MISSESSILIONUS REPAIRS	\$	1,282.50	\$	1,688.72	\$	2,224.26	\$	2,503.22
TELEPHONE COST	\$	1,466.83	\$	2,093.74	\$	2,757.73	\$	3,103.60
INSURANCE	\$	4,540.00	\$	4,200.00	\$	4,200.00	\$	4,200.00
AIRPORT BOARD	\$	1,629.81	\$	2,326.38	\$	3,064.14	\$	3,448.44
FOOD & BEVERAGE	\$	1,059.38	\$	1,512.14	\$	1,991.69	\$	2,241.49
TELEPHONE	\$	1,100.12	\$	1,570.30	\$	2,068.29	\$	2,327.70
DEPARTMENT EXPENSES	\$	104,323.75	\$	121,942.26	\$	143,861.87	\$	155,215.76
NET INCOME B-4 DEBT	\$	798.99	\$	16,477.14	\$	38,454.46	\$	49,966.42